

# BenAlert

BENEFIT TRENDS AND LEGISLATIVE UPDATES

MAY 2010



HOWITT  
Benefit Services

Howitt Benefit Services is pleased to provide you with periodic updates on benefit trends and legislative updates. As part of our valuable services, we want to ensure that you are in compliance and well-informed of the ongoing changes in our industry.

## In this BenAlert:

- Kaiser Permanente to cover dependents up to age 26 beginning June 1st

The Affordable Care Act allows young adults to stay on their parents' health care plan until age 26. Before the President signed this landmark Act into law, many health plans and issuers could and did in fact remove young adults from their parents' policies because of their age, leaving many college graduates and others with no insurance.

To help this situation Kaiser Permanente has decided to implement the provision of the new health care reform law calling for extension of coverage of dependents up to age 26.

Kaiser expects to implement system changes no later than June 1, 2010 to help young adults avoid a gap in coverage. Kaiser Permanente will permit eligible dependents in commercial (non-Medicare) group coverage to remain on their family coverage until they turn 26, regardless of their student status. **This change will not affect your group's premium rates during the current contract year.**

This policy applies only to dependents who are Kaiser Permanente members on or after the date when your policy becomes effective.

Groups can opt out of this policy change and wait until they are required to cover dependents to age 26 per the law if they wish -- though, remember, this early-implementation policy has no premium impact until renewal. **If your group would like to opt out of early implementation, please let us know by 12 pm, Pacific time, May 14, 2010.**

As required by the health reform law, all Group Agreements that renew on or after September 23, 2010, will permit eligible dependents to enroll or to remain enrolled until they turn 26 -- or any higher age limit that the group may choose.

Here is some background:

Young adults have the highest rate of uninsured of any age group. About 30% of young adults are uninsured, representing more than one in five of the uninsured. This rate is higher than any other age group, and is three times higher than the uninsured rate among children.

Young adults have the lowest rate of access to employer-based insurance. As young adults transition into the job market, they often have entry-level jobs, part-time jobs, or jobs in small businesses, and other employment that typically comes without employer-sponsored health insurance. The uninsured rate among employed young adults is one-third higher than older employed adults.

Young adults' health and finances are at risk. Contrary to the myth that young people don't need health insurance, one-in-six young adults has a chronic illness like cancer, diabetes or asthma. Nearly half of uninsured young adults report problems paying medical bills.

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